

THE DEVELOPMENT OF GLOBAL EDUCATION IN MALAYSIA: STRATEGIES FOR INTERNATIONALIZATION

By

MOHAMAD HANAPI MOHAMAD

ZAHIRUDDIN GHAZALI

and

MOHD SHAH KASSIM

Universiti Utara Malaysia

ABSTRACT

The globalization of the economy and society has had its impact on and has been influenced by research and education. In the case of Malaysia, the policy of liberalization and democratization of education sees a sudden upsurge of foreign students studying in Malaysia as from 1996 when the government introduced the Higher Education Act. Terms such as "international education" and "global education" have been the expression of this development. However, to really become a major player, Malaysia essentially needs to acquire global competencies, either in the curriculum, administrative easiness, or pricing in order to make its location a strategic choice for post-secondary education. The globalization of markets and competition, rapid technological changes, and changing relationship between states and firms require different approaches from those traditionally assumed. This paper proposes the development of a coherent global education model of higher education, constructed on eclectic-locational approach rather than a multidisciplinary approach.

INTRODUCTION

Although the first university was established in 1962, foreign student enrolments in Malaysia

have increased rapidly over the past 25 years. The total number increased from 32 in 1970 to 12,605 in 1999. While foreign students still represent less than two percent of higher education enrolments in Malaysia, this proportion is likely to grow over the next decade as enrolments of universities increase and the government policy to liberalize higher education continues. One consequence of the growth to date has been that many colleges and universities depend on students for an important part of their tuition revenue or enrolment-determined budget, and this dependence is also likely to grow over the next decade. Another important consequence of larger flows of foreign students is a likely increase in the number of private colleges and foreign university campuses in Malaysia. Anuwar (1997) argued that the rapid expansion of Malaysian higher education has involved extensive growth that has relied principally on the liberalization of the education policy of the government. Whilst Kamarudin (1997), Sulaiman (1997) and Ramaiah (1996) agreed that increases in openness have contributed to this growth, they also believed that the characteristics related to the choice of course, and the selection of the institution were also important decisions in determining the choice of location.

The growing influence of foreign students as consumers of Malaysia's higher education services highlights the importance of better understanding the nature of this phenomenon. This study empirically identifies which of these factors have significantly contributed to the growth of foreign student enrolments during the last decade. To do so, this study applies the model of foreign students' demand for Malaysian higher education. This approach takes the view that the liberalization of higher education improves the growth prospect of the internationalization of higher education of Malaysia. The next section examines the education openness to foreign student enrolments. The received theory and data employed in the analysis are described in the third section. Estimation procedures are discussed in the fourth section, and regression results reported therein. Concluding comments are provided in the last section.

FOREIGN STUDENT PERFORMANCE

Comparatively, the number of foreign students in Malaysian universities is insignificant. In any one of the years between 1986-87 and 1989-90 academic sessions, foreign students numbered not more than 466 or 0.8 percent of the university population in the country. This low inflow of students from abroad may be influenced by factors such as university admissions policy, the local demand for higher education, the language issue, provision for learning, teaching and research facilities, student's accommodation, and student's welfare services. Table 1b shows the growth of student admission and foreign student enrolment in Malaysia from 1996 through 1999, ranging from 0.08 percent to 2.0 percent per annum.

However, this pattern is not uniform across the countries. During the period, ASEAN as a group, reported a better growth of close to 2.5 percent per annum. An interesting feature of this student enrolment was that it did not seem to be affected by the economic crisis that hit the region.

TABLE 1a
Post-secondary Enrolment

Year	No. of Institutions	Enrolment
1965	48	12, 965
1970	22	16, 404
1980	26	48, 851
1985	34	74, 607
1990	38	122, 340
1995	42	189, 020
2000	55	264, 690

TABLE 1b
Foreign Student Enrolment

Region / Year	1996	1997	1998	1999
ASEAN	5905	5963	6115	6272
East Asia	2979	3009	3039	3102
West Asia	1765	1769	1787	1805
Eastern Europe	118	121	114	127
Africa	1168	1173	1161	1163
Others	137	135	140	136
Total	12,072	12,170	12,356	126,005

TABLE 2
Public and Private Universities Offering Degree Programmes

a) Public	Universiti Malaya Universiti Kebangsaan Malaysia Universiti Sains Malaysia Universiti Putra Malaysia Universiti Teknologi Malaysia Universiti Islam Antarabangsa Universiti Utara Malaysia Universiti Malaysia Sarawak Universiti Malaysia Sabah Universiti Teknologi Mara Universiti Pendidikan Sultan Idris Kolej Agama Sultan Zainal Abidin Institut Teknologi Tun Hussein Onn Kolej Universiti Islam Malaysia Kolej Universiti Sains & Teknologi Terengganu Kolej Tunku Abdul Rahman Kolej Universiti Teknikal Melaka
b) Private	Universiti Petronas Malaysia Universiti Multimedia Malaysia Universiti Tun Abdul Razak Universiti Tenaga Malaysia Universiti Terbuka Malaysia

Table 2 shows the number of new institutions (public and private), a proxy for openness and firm level data of the institutions as the indicator of market performance. Historically, the first university was established in 1962 when the division of the University of Malaya in Kuala Lumpur was upgraded to a full university status. Nine other universities were established between 1969 and 1995 and they were Universiti Sains Malaysia (1969), Universiti Kebangsaan Malaysia (1970), Universiti Putra (Pertanian) Malaysia (1971), Universiti Teknologi Malaysia (1972), Universiti Islam Antarabangsa (1982), Universiti Utara Malaysia (1984), Universiti Malaysia Sarawak (1994), Universiti Malaysia Sabah (1995), and Universiti Teknologi MARA (1997). Seven other public universities were established from 1998 through 2001. They were Universiti Pendidikan Sultan Idris (1998), Kolej Agama Sultan Zainal Abidin (1998), Institut Teknologi Tun Hussein Onn (1999), Kolej Universiti Islam Malaysia (2000), Kolej Universiti Sains & Teknologi Terengganu (2000), Kolej Tunku Abdul Rahman (2000) and Kolej Universiti Teknikal Melaka (2001). At present (at the time of this study), there are five private universities in Malaysia. Most of the private universities were established after 1998.

RECEIVED THEORY AND DATA

Malaysian private and public educational institutions have emerged as important avenues to meet the increasing demand for higher education whether among Malaysians or foreigners. As for students, the demand for higher education has always remained high. According to Ghani (1990), for the case of Malaysian students, this high level of demand for higher education is a complex interaction of three main sets of factors; social, political and economic, operating at both personal and societal levels.

At the personal level, higher education is seen as the key to jobs which pay good salaries, confer social status and prestige, and provide avenues for social mobility. At the societal level, the Malaysian government is using higher education programmes to restructure the Malaysian society in order to have a more

indigenous population pursuing higher education, who will be able to improve their livelihood later.

As for foreign students selecting Malaysia as their place for higher education implies that Malaysian higher education provides greater benefits, both tangible and intangible, and that the benefits override the costs. From the student viewpoint, Malaysia offers a unique advantage and by selecting Malaysia the students will be able to enjoy a lot of cost savings.

The resource-based view of the firm (Penrose, 1959) proposes that a firm's ability to create wealth is largely determined by its unique capabilities. Firm success or failure is not entirely dependent upon industry structure, but rather a function of the resources and capabilities controlled by the firm, deployed by managers, and developed and extended by the organization (Schendel, 1994). A basic premise in this theory is that those firm capabilities that are rare, inimitable, and difficult to trade form the basis for sustainable competitive advantage. Subsequent researchers have highlighted the importance of intangible resources such as knowledge and scientific capabilities to competitive advantage (Deeds, DeCarolis & Coomb, 1997; Henderson & Cockburn, 1994; Kogut & Zander, 1992; Petruff, 1993).

During the last several decades, dozens of studies examined various aspects of tertiary school internationalization. Some focused on internationalization of curriculum, (Burns, 1979; Kubin, 1973; and Mintz, 1980). Some examined internationalization at different degree levels, such as the master's level (Ball and McCulloch, 1988; 1984; Nehrt, 1987) or the doctoral level (Kuhne, 1990). Some focused on a particular region or country such as Europe Luostarinen and Pulkkinen, 1991), the United States (Terpestra, 1969), or Japan (Cummings and Kobayashi, 1985). The major strands that explained the rapid inflow of foreign students enrolments concern course characteristics, country characteristics, administrative processes and cost factors (Lawley & Blight, 1997).

There are several studies that highlight the importance of course characteristics. Austin (1988), Wu (1989), Steadmena & Dagwell

(1990) and Blaug & Woodhall confirm that course characteristics, which refer to the standard or quality of the course, recognition of qualifications and time taken to complete a course, are important determinants to select a place of study. On the other hand, Harris and Rhall (1993), Smart and Ang (1992), and Hill, Romm and Patterson (1992) confirm the importance of country characteristics as the contributing factor to the choice of location. The variables contributing to country characteristics include the level of personal safety, lifestyle, the potential to emigrate, the opinions of family, friends and the presence of family and friends in a destination country. The next important determinant of the choice of destination is the administrative processes which include ease of gaining entry to institutions, ease of obtaining a visa, ease of gaining exemptions, availability of information about a destination and being able to legally work part-time. These variables have been found significantly important in influencing the choice of destination as confirmed by Hill, Romm and Patterson (1992) and Rao (1979).

Another important factor is the cost characteristic. The variables that influence costs are comparative financial cost, the availability of scholarship, the distance from home and psychological cost such as racial discrimination and the presence of other students from other countries. The studies that have reflected the importance of this criterion can be seen in Hill et al. (1992), Chandler (1989) and Purdy (1992).

Hence, the measure of the unique advantages of Malaysia as a choice of higher education stems from both financial and non-financial benefits. The rising cost of overseas tertiary education in the traditional places, with the imposition of full fees beginning in mid-1980s for foreign students and the upsurge in demand of higher education, has led to the expansion and provision of various forms of higher education. The variables that influence costs are comparative financial cost such as tuition fee, lodging and accommodation, transportation, living expenses, entertainment and recreation expenses and other pecuniary expenses. In the case of non-financial benefits, prospective students will be looking closely into

areas of the organizations which offer tertiary education. These areas include the overall strength of the institution, such as the curricula, language of instruction, the availability of trained and qualified lecturers, the institution's teaching facilities.

One type of pecuniary benefit can be explained by the possibility that the student visa can be converted to some other status which will allow employment or the possibility of the students' becoming permanent residents. Hence, this benefit is measurable and may be important in explaining foreign student flows to Malaysia. These are expected benefits should the student adjust his visa status and immigrate to Malaysia. Some students may enrol in Malaysian institutions of higher education intending eventually to adjust their visa status. For these students, adjustment of status may be an easier method of immigration than directly applying for an immigrant visa in the country of origin. Other students, especially for those receiving Malaysian or home government financial aid may find it very difficult to adjust the status while in Malaysia but may establish contacts that later permit direct immigration. Most foreign students, however, probably enrol in Malaysian institutions knowing only that there is a possibility of immigration. The expected benefits of immigration clearly may influence their enrolment decisions.

The student incurs costs whether he attends college at home or abroad, but the size of those costs may differ and thus influence the student's enrolment decision. The normal costs will include out-of state tuition charges, board and lodging, food and entertainment, travel and transportation. In particular, the Malaysian institutions may want to introduce residential accommodation in order to attract foreign students to higher education at their colleges and at the same time reduce other restrictions that may distinguish foreign students with local students. Normally, the cost of room and board in Malaysia may typically exceed the cost of room and board in the home country. As such, foreign students are likely to remain living with the family or family friends while studying in Malaysia. Hence, the students may find it attractive to study in Malaysia if the institutions were able to arrange some kind of financial

assistance such as enabling them to earn from doing part-time jobs or internship that will help towards reducing their tuition fees. The student views differences in tuition costs and living costs between the home country and Malaysia as part of the price of Malaysian higher education. Hence, in summation, it is also implied that the availability of institutional or governmental financial aid and family income play important roles in students' decisions about where to attend college.

The curriculum, the medium of instruction, exemptions, and the duration of study are key components of the internationalization of the Malaysia tertiary programme. The students will be keen to know what level of education will be attained should they choose to study in Malaysia. For example, in the case of curriculum, the students will be interested to know whether the system in Malaysia follows the practice of infusion or integration of core and general subjects. For some students, the integration of a larger percentage of core subjects at junior and senior years will certainly give them an added advantage, particularly when one is thinking of pursuing post-graduate studies at the later stage. Another area that is certainly providing a strong bearing on the decision to study in Malaysia is the implementation of exemptions and credit transfers. It is a common practice among universities to accept credit transfers and to give exemptions for the work previously done in other institutions that provide post-secondary education. To the students, these provisions will enable them to finish their school in a shorter time, which also enables them to reduce expenses. Hence, the availability of exemptions and credit transfers will justify the decisions for these students to choose Malaysia as their location choice of tertiary education.

Finally, the next important issue surrounding the student's decision to study in Malaysia is related to administrative processes that include the ease of gaining entry to institutions, ease of obtaining a visa, and the ease of gaining exemptions. Malaysian universities normally commence the academic year from late May through March the following year. As such, issues such as students'

visa and other related areas must be fully conveyed to the potential students. Students are also interested to know whether they are allowed to work part time, particularly during their long vacation. The choice of Malaysia as the destination of post-secondary education seems to be greatly influenced by the availability of this information, whether they can be found readily at Malaysian embassies or through some kind of information channelling by the potential colleges, and also quick administrative implementations by these respective institutions.

The theory thus implies that the demand for higher education for foreign students in Malaysia relates directly to market and organizational conditions of Malaysian colleges such as course characteristics, country characteristics, administrative processes and costs. Demand is thus expected to vary directly with expected income differentials attributable to higher education, family income, and financial aid, and inversely with tuition, books and supply expenses, and opportunity costs. The demand model postulated above also assumes that the supply of foreign students to institution of higher learning in Malaysia is exogenous. In Malaysia, foreign students represent a small proportion of all college students and no country except Indonesia supplies a large proportion of all foreign students, and where there exists an abundance of enrolment-hungry institutions with low admission standards (Ministry of Education, 1999), this assumption is not a strong one. While some elite colleges and universities may impose constraints on the number and composition of foreign students, and some graduate programmes may also face capacity constraints, in general foreign students wishing to study in Malaysia can do so with less difficulty.

A model of foreign students' demand for Malaysian higher education ideally would include variables representing each of the costs and benefits listed above. Unfortunately, much of the desired information either does not exist or does not exist in cross-section data. Time-series data on income differentials associated with being educated in different countries are not available for use either in this study or by

prospective students. Given the absence of such information, it is unlikely that year-to-year variations in foreign student enrolments in Malaysia reflect changes in current income differentials, especially since the appropriate benefit measure is future income differentials as perceived by students.

Specification of the Model

The theory of foreign students' demand and the data limitations discussed above result in an empirical model that postulates an individual's decision to attend college in Malaysia is affected by several factors, namely, the unique characteristics of the course offered by the institutions in the country (C), the price (P) or cost of Malaysian higher education to the student, the host administrative easiness (A) for higher education in the host country, and the expected benefits (Y) of the host country, such as climatic condition, shorter distance to home, and tolerance and liberal attitude among her residents. While this model explains the individual's decision, or the overall value of foreign student's evaluation on the strength of post-secondary education in Malaysia (F), the number of students from a particular country enrolling in Malaysian institutions also depends in part on the size of the college-eligible population in the country of origin. The model of foreign student demand can thus be summarized:

$$F = f(C, P, A, Y)$$

This equation represents the demand for Malaysian higher education by residents of a given country. In fact, the measure of educational opportunities applies only to undergraduates. No satisfactory measure exists to describe such opportunities for graduate students, and in most developing countries the graduate education offered is not a good substitute for that offered by industrialized nations, including Malaysia.

RESEARCH METHODOLOGY

Questionnaire

This research was conducted through questionnaires and personal interviews. However, both techniques use the same questions. Respondents were required to

answer the questions by using a 5-point Likert scale. The survey questionnaire consisted of two separate parts. Part A was addressed to the head of the organization (the dean or equivalent administrator). It asked questions about the role of internationalization in the mission of the college, the organizational structure, the programme offered, the structure of the academic staff and administrators, and the level of satisfaction of the students and staff with various internationalization efforts, particularly with respect to students and staff facilities and welfare.

Part B of the questionnaire was considerably longer and was addressed to the students who are currently pursuing tertiary education in the college. The students must be from outside Malaysia and must be registered in any course at the bachelor's degree level. It asked questions about internationalization of the programme and faculty and the international linkages between the surveyed institution and foreign institutions and the level of satisfaction with internationalization efforts and progress.

The Sample

The sample was designed to focus on educational institutions with post-secondary degree programmes in business which have foreign student enrolments. The sample was constructed from several sources, including the Malaysian Ministry of Education listings of degree-granting institutions, the institutional subscribers to the Journal Education Malaysia, and from Student Visa Division, Department of Immigration Malaysia. The population consisted of 25,000 students attending 563 institutions of higher learning in Malaysia, of which 80 per cent were located in Kuala Lumpur and the remaining 20 percent were outside the capital. In order for the institutions to be included in this study, they must have registered full-time students of not fewer than 500 and a minimum of 20 foreign students enrolled in their colleges; the countries with fewer than 50 students were excluded because their presence was minimal. The final outcome of this exercise was that there were 721 respondents from 15 countries for this study. A further reason for selecting these 15 nations

was the rapid increase of growth of foreign students originating from these institutions. The first mailing of the questionnaire was completed in March 2001. Follow-up mailings were completed in May 2001.

MAJOR FINDINGS

The results were measured in the form of the Likert Scale and were used to measure the determinants of the choice of location. Hierarchical regression analysis was used to determine which factors contribute most to predict the intention of foreign students to study in Malaysia. This analysis is conducted in two stages. In the first stage, a correlation analysis of intention was conducted. The objective is to choose the most perceived reasons for choosing that destination. In the second stage, these reasons of intentions were regressed on the four independent variables. The estimated results are given in Table 3 through Table 5. These results can be considered acceptable as it is generally acknowledged in the behavioural sciences that R² values of between 20 percent and 30

percent are satisfactory. The adjusted R² values also appear acceptable as they dropped minimally in the equations, indicating the adequacy of the sample size. The results also showed F value, indicating the significance of the equations at the alpha level of 0.05. Finally, Table 5 gives estimates of regression coefficients which are normally greater than 0 at the alpha level of 0.05 as indicated by T values. The other estimated coefficients in general have the expected signs, and educational opportunity is significantly related to the place of offering. The estimated coefficients typically are of the expected sign. The statistically significant estimates of course characteristic, price elasticity, and country characteristic are positive and range in size from .098 to .271. The exponents associated with *obtaining student visa*, *information about studying in Malaysia*, and *working part-time* are consistently negative. And the estimated coefficients for the respective countries are almost similar on course characteristics, country characteristics, administrative process, and price.

TABLE 3
Model Summary on Strategies for Internationalization

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.554	.306	.283	.5558

TABLE 4
ANOVA Output on Strategies for Internationalization

		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	76.559	19	4.029	13.043	.000
	Residual	173.307	561	.309		
	Total	249.866	580			

- a Predictors: (Constant), Courses are quicker to complete, Difficulty to obtain information about studying, The climate is not very good, My friends think it is a good place to study, Short distance from home, Comparatively cheap place to study, A safe place to study, Easy to gain entry to universities/institutions, There are high levels of racial discrimination, Difficult to get a student visa, My family think it is a good place to study, I would like to immigrate here, Recognized qualification, There are scholarships available, Teaching facilities are good standard, Possible to legally work part-time, Favourable way of living, Easy to gain exemptions, Standard of courses available in Malaysia is high
- b Dependent Variable: Overall evaluate Malaysia for tertiary education

TABLE 5
Coefficients of Choice of Criteria for Strategies for Internationalization

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.577	.200		7.870	.000
	Standard of courses available in Malaysia is high	.166	.030	.271	5.576	.000
	A safe place to study	1.119E-02	.030	.016	.376	.707
	Comparatively cheap place to study	6.032E-02	.027	.098	2.243	.025
	Difficulty to obtain information about studying	-7.039E-02	.027	-.108	-2.563	.011
	Recognized qualification	1.869E-02	.028	.030	.662	.509
	My family think it is a good place to study	8.840E-02	.031	.122	2.862	.004
	I would like to immigrate here	-1.019E-02	.022	-.021	-.470	.639
	Difficult to get a student visa	-6.582E-02	.022	-.132	-2.967	.003
	Teaching facilities are of good standard	9.856E-02	.034	.132	2.927	.004
	Possible to legally work part-time	-3.293E-02	.020	-.074	-1.614	.107
	Easy to gain entry to universities/institutions	3.811E-02	.030	.053	1.282	.201
	My friends think it is a good place to study	3.840E-02	.031	.056	1.222	.222
	The climate is not very good	-1.545E-02	.024	-.027	-.642	.521
	Easy to gain exemptions	7.344E-02	.028	.122	2.626	.009
	Short distance from home	2.133E-02	.019	.047	1.103	.271
	Favourable way of living	7.336E-02	.033	.102	2.255	.025
	There are high levels of racial discrimination	2.725E-02	.022	.052	1.219	.223
	There are scholarships available	-1.441E-02	.026	-.025	-.565	.573
	Courses are quicker to complete	1.628E-03	.027	.003	.061	.951

a) Dependent Variable: Overall evaluate Malaysia for tertiary education

Discussion

As stated earlier, the goal of this study was to introduce and justify the use of firm-specific capabilities and location characteristics in the development of internationalization of higher education in Malaysia. In particular, it was suggested that the internationalization development undertaken by the institutions is accurately captured when the processes are fully implemented. The inclusion of course characteristics, country characteristics,

administrative processes, and costs in the process creates a more realistic representation of the model. How the decision to study in Malaysia was developed in this model of firm-specific capabilities and destination choice for post-secondary education.

The results provide strong evidence for the underlying premise that course characteristics, country characteristics, administrative processes, and costs are important determinants of locational decisions to pursue

post-secondary education in Malaysia. Four of the 19 variables received support at the 0.05 level or better. We were able to explain over a third of the variation in the absolute amount of internationalization development in the sample.

Though the number of foreign students in Malaysia has increased over time, the size of the eligible pool or population has increased even more rapidly. Over the past 30 years, participation in secondary education has risen from a minority of the population for most of the countries studied here. A very small proportion of secondary school graduates can gain access to higher education. Even so, the number of college students has often increased even more rapidly than secondary school enrolments (UNESCO). The assumption made in this paper is that, *ceteris paribus*, a percentage increase in the eligible population results in the same percentage increase in foreigners from that country studying in Malaysia. In fact, however, the proportion of all college students who elect to study in Malaysia has been increasing for the preponderance of countries of origin. While other factors offer potential explanations of this phenomenon, the most relevant factors favouring post-secondary education in Malaysia are seen to be the relationship of income, price, educational opportunity and immigration benefits.

In the normal quantitative analysis, one will readily use the income elasticity of demand to estimate the influence of price on demand. However, in this study, cross-sectional data were used and found to be small and statistically significant. The coefficient for variable price is 0.098 and its *t* value is 2.243. As noted earlier, per capita income may be a poor measure of income of the eligible population, but in this study, it does explain its strong predictive power. Studies of domestic demand for higher education typically find large and statistically significant income elasticity. In this study, it was found that though there was an increasing trend in prices, the increasing price of Malaysian higher education does not affect foreign students' wanting to attend Malaysian colleges and universities. Costs of tuition plus room and board have increased from \$1,155 in 1970 to \$30,542 in 2000. According to the regression results, this

increase does not reduce the number of undergraduate and graduate foreign students in Malaysia. The other items within this subgroup were availability of scholarships, racial discrimination and length of study which all seemed to be insignificant in determining Malaysia as a post-secondary education location.

All the reasons for under prediction are not easily ascertained, but the principal explanation appears fairly straightforward. Although precise numbers cannot be obtained, both Indonesia and Thailand greatly increased financial aid to students studying abroad in this time period. Such financial aid appears to be part of an overall strategy of investment in human capital consistent with the ambitious development plans of both countries. The fulfilment of those plans was, of course, in large part, financed by the rapid growth in revenues from oil exports in both countries.

In fact, both Southeast Asian countries and the Asian region increased educational expenditures at a rate much more rapid than the growth in GNP. For example, the whole GNP increased at an annual rate of 11.1 percent in the Asian region and 15.3 percent in the Southeast Asian region between 1990 and 1996; educational expenditures increased annually by 57.8 percent and 77.0 percent, respectively, in the same time period. The elasticity of educational expenditures with respect to GNP is higher in general for Southeast Asian countries than for other developing countries. In addition, for Southeast Asian countries this elasticity was higher after than before the 1970s.

The course characteristic variable was significantly positively related to the choice of location. In the study, the course characteristic variable which was measured by the item *standard of course* offered was positive and significantly related to *location* at 0.05 level with its coefficient at .271 and its *t*-value at 5.576. The *standard of course* recorded the highest coefficients among the variables of subgroups which comprised the course structure. The other item in this subgroup which registered a positive relationship was *teaching facilities*. Teaching facilities recorded a fairly significant relationship with *choice of*

location. The coefficient value for *teaching facilities* was .132 and its t-value was 2.927. The only item that was insignificant in this group was the item *recognition*.

The organization administrative ease is an important determinant in the decision to study in Malaysia. There were five items that measured *administrative ease*. In the case of Malaysia, the item *exemption* seemed to have a strong influence on the location choice. *Easy to gain exemptions* was significantly related to destination. This item registered a coefficient of .122 and its t-value at 2.626. The other item which registered a positive relationship but not that significant was *easy to gain entry*, with its t-value at 1.282. The other items in this subgroup seemed to behave negatively to location choice. The items *difficulty in obtaining student visa*, *difficulty in obtaining information about studying in Malaysia*, and *legally working part-time* registered at -2.967, -2.563, and -1.614, respectively.

Country attributes were also important determinants for the choice of location for post-secondary education. In the case of Malaysia, attributes such as *favourable way of living*, *opinions from family and friends* were important dimensions to the suitability of the location. These three items seemed to capture strong influence in country choice with two of these factors, *favourable way of living* and *family opinion*, recording their t-values at 2.255 and 2.862, respectively. *Climate*, *potential for immigration* and *safety* seemed to be insignificant in determining the attributes of the location.

There are several explanations that can be offered for the progress of the internationalization programme of Malaysian post-secondary education. Firstly, the tremendous growth in human capital investment among Asian countries, in addition to reflecting the growth in GNP, may have resulted from the relative ease with which such investment could be undertaken relative to time-consuming physical investment. Furthermore, the large growth in secondary school enrolments over the previous decade in most Asian countries meant human capital investment via higher education abroad was one that could be undertaken with almost no

lag. Such highly educated manpower would be viewed as necessary for the successful implementation of development plans and for the future staffing of national institutions of higher education.

Secondly, with the world economy becoming integrated, the method of conducting international trade is converging under common methodology, criteria and practices, and in particular Anglo-American rules. The educational sector is no exception, in which transactions are conducted at arm's length rather than on the basis of personal relationships. Transparency, administrative credibility and a solid system for evaluating programme performance are all regarded paramount.

Thirdly, in the global economy, the rules of the game are usually set by the dominant power, while the weak have no choice but to follow along. The strong seek to restrain the advance of competitive forces in order to defend their position, meaning that the leadership of a late-industrializing country must have the vision and strategic thinking necessary to elevate it to the ranks of advanced economies.

Fourthly, there is no denying that Malaysia made a huge leap in economic development over the past 30 years and this was possible because of the country's unique strengths. Of course, specific conditions related to Malaysia's sociopolitical importance also played a major role, but there is no doubt that the nation's economic development would not have been possible if Malaysia did not possess a strong institutional and structural foundation. After all, the Malaysian privatization policy does include a number of positive features. The existence of numerous affiliated firms within the programme has enabled them to overcome problems related to an immature market and to pursue bold investments in new areas.

Finally, to further progress and succeed as a centre for education excellence, Malaysia needs to internationalize its education system and reform its public sector in ways that assure that government policies are formulated and implemented by professionals who are familiar with international practices and have global

perspectives. In short, Malaysia will have to attain a level of globalization equal to that of Singapore and Hong Kong. But globalization does not mean recklessly opening up still immature markets. It must be supported by strategic thinking and vision. Malaysia has a record of having successfully achieved economic development with its own strategy and vision. But this was in the 1970s. Circumstances surrounding Malaysia and the world have since markedly changed, and the new environment demands that Malaysia develop a new strategy and vision that adopt open and internationalized systems and norms.

CONCLUSION

The number of foreign students in Malaysia has increased in large part because the eligible populations have increased, especially in the non-industrialized countries of the world. Enrolments in secondary and higher education in those countries have grown even more rapidly than the number of foreign students in Malaysia. A conceptual analysis of the factors that seem to attract foreign students pursuing post-secondary education in Malaysia exhibits an interesting scenario on the process of internationalization. While to some extent, Malaysian higher education enjoys comfortable location advantages, her institutions seemed to lose balances in their quest for well-measured unique firm specific advantages. The empirical portion of this study reveals that course attributes, country characteristic, cost and

administrative ease are significant predictors in influencing the decision to attend post-secondary education in Malaysia. While there are areas where Malaysia enjoys significant advantages such as one that pertains to the quality of the course and country attractiveness, the other two factors, namely cost and administrative ease, seem to be declining and need to be improved. To further succeed, Malaysia needs to streamline its strategy for internationalization. Greater improvement on the course, quality of student services such as accommodation and recreation facilities, and the others relating to the teaching resources, in particular well-qualified lecturers and capable administrators, is immediately needed. Apart from that, Malaysia also needs to contain its costs in order to allow the programmes to enjoy cost competitiveness. Once this is carried out, the eligible population will be significantly increased over time due to two primary factors, the rising real cost of Malaysian higher education and, improved higher education opportunities in the host country. For most countries, the elasticity associated with these variables is relatively large. The projected demand model for post-secondary education indicates that, if UNESCO projections of growth in secondary and higher education enrolments are accurate, the total number of foreign students in Malaysia will increase substantially by 2005. □

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